
ANNUAL
REPORT

1967

CALMOR
IRON BAY MINES
L I M I T E D

FOR THE YEAR ENDED DECEMBER 31, 1967



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CALMOR
IRON BAY MINES
 LIMITED

DIRECTORS

A. C. MOSHER	-	-	-	-	-	-	-	Toronto, Ontario
F. W. GRAHAM	-	-	-	-	-	-	-	Toronto, Ontario
N. S. BEATON	-	-	-	-	-	-	-	Toronto, Ontario
W. J. HOSKING	-	-	-	-	-	-	-	McWatters, Quebec
D. J. HAINS	-	-	-	-	-	-	-	Oakville, Ontario

OFFICERS

A. C. MOSHER	-	-	-	-	-	-	-	-	President
F. W. GRAHAM	-	-	-	-	-	-	-	-	Vice-President
D. A. HUNTLEY, C.A.	-	-	-	-	-	-	-	-	Secretary

HEAD OFFICE

SUITE 1000, MONTREAL TRUST TOWER, 11 KING STREET, WEST
 Toronto 1, Ontario

**REGISTRAR
 TRANSFER AGENT**

Montreal Trust Company
 15 KING STREET, WEST, TORONTO 1, ONTARIO

AUDITORS

Riddell, Stead, Graham & Hutchison
 Toronto 1, Ontario

BANKERS

Canadian Imperial Bank of Commerce
 Toronto, Ontario

SOLICITORS

Holden, Murdoch, Walton, Finlay, Robinson, Pepall & Harvey
 Toronto, Ontario

ANNUAL MEETING

March 6, 1968, 10 A.M. (Toronto Time)
 Nova Scotia Room, Royal York Hotel
 Toronto 1, Ontario





President's Report

TO THE SHAREHOLDERS:

On behalf of the Board of Directors, it is my pleasure to present herewith the Annual Report of the Company for the year ended December 31, 1967.

The Company's principal asset continues to be its 20% interest in the property leased to The Steel Company of Canada, Limited. The construction of the Griffith Mine thereon by Stelco progressed in a most satisfactory manner throughout the year. Stelco, in their quarterly report to shareholders dated February 1, 1968, said the following: "Good progress has been made in development of the Griffith Mine and its related ore processing facilities. Initial production of iron ore pellets will begin this month and it is expected that a commercial level of output should be reached later this year." The Company's 20% interest in the property will provide a royalty of 10¢ per ton of pellets shipped, payable at quarterly intervals.

During the prospecting season your Company participated jointly with Uranium Ridge Mines Limited and Lake-Osu Mines Limited in the financing of a prospecting party under the direction of Mr. Stanley C. Johnson. Late in September the party located a mineralized area north of Kapikotongwa Lake, which is about forty miles north of Nakina, Ontario. Forty claims were staked to protect the discovery. Showings have been located over a strike length of three-quarters of a mile and six small pits were blasted in the various showings to obtain samples. Assays of the samples revealed the presence of zinc, gold, silver, lead and copper. The initial exploration work is now in progress and will include line-cutting and geophysical work. Exploration work will be under the direction of Mr. K. G. Honeyman, P.Eng.

Calmor, Uranium Ridge and Lake-Osu have incorporated Nakina Mines Limited, a new 3,000,000 share company, to acquire and explore the property. On the sale of the property to

Nakina, your Company and Uranium Ridge and Lake-Osu each received 212,500 shares of Nakina, and the prospectors involved in locating the property received a total of 112,500 shares of Nakina. Calmor, Uranium Ridge and Lake-Osu will provide initial financing of Nakina by each purchasing up to 100,000 shares of Nakina at 25¢ per share. Your Company has options on additional treasury shares of Nakina, which will allow the Company to maintain its interest in the venture.

With royalty revenue forthcoming in 1968, the Company will pursue a more active exploration program.

On behalf of the Board,

A. C. MOSHER,
President.

February 6, 1968.

A handwritten signature in black ink, appearing to read "A. C. MOSHER".



(Incorporated under the laws of Ontario)

BALANCE SHEET AS AT DECEMBER 31, 1967

ASSETS

	1967	1966
CURRENT		
Cash	\$ 201	1,410
Short term investments, at cost (which approximates market)	—	55,213
Accounts receivable and advances	3,564	925
	<hr/> 3,765	<hr/> 57,548
INVESTMENT IN ASSOCIATED COMPANIES		
400,000 shares of Chimo Gold Mines Limited, at cost (quoted market \$536,000)	298,075	298,075
212,500 shares of Nakina Mines Limited, at cost (Note 1)	2,469	—
	<hr/> 300,544	<hr/> 298,075
MINING PROPERTIES (Note 2)		
20% interest in 123 mining claims in the Bruce Lake area, District of Kenora, at the value appraised by A. H. Ross & Associates on July 20, 1966. The basis of the valuation was an appraisal of the present value of the anticipated net income from royalties under the property lease	987,181	987,181
	<hr/> \$1,291,490	<hr/> 1,342,804

AUDITOR

To the Shareholders
CALMOR IRON BAY MINES LIMITED

We have examined the balance sheet of Calmor Iron Bay Mines Limited as at December 31, 1967 and the statements of operations and deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Ontario
January 16, 1968.

laws of Ontario)

AT DECEMBER 31, 1967

LIABILITIES

	1967	1966
CURRENT		
Bank loan (secured)	\$ 2,000	—
Accounts payable	2,209	28,489
	<hr/>	<hr/>
	4,209	28,489

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized

3,000,000 shares of no par value

Issued

2,560,005 shares	1,369,393	1,369,393
DEFICIT	<hr/>	<hr/>
	82,112	55,078

1,287,281

 1,314,315

On behalf of the Board:

A. C. MOSHER, Director.

F. W. GRAHAM, Director.

\$1,291,490

 1,342,804

REPORT

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants.



STATEMENT OF OPERATIONS AND DEFICIT
For the Year Ended December 31, 1967

	<u>1967</u>	<u>1966</u>
EXPENSES		
Exploration		
Prospecting ventures	\$ 4,642	—
Administrative		
Audit fees	400	250
Legal fees	417	900
Office and general	2,492	4,473
Office rent	1,985	1,144
Registrar and transfer fees	3,051	2,320
Reports to shareholders	3,300	2,196
Officers' salaries	9,033	7,415
Telephone	309	444
Travel	2,166	4,432
	<u>23,153</u>	<u>23,574</u>
Deduct, investment income	761	891
	<u>22,392</u>	<u>22,683</u>
Costs of corporate re-organization	—	32,395
	<u>22,392</u>	<u>55,078</u>
NET EXPENSES	27,034	55,078
Deficit at beginning of year	55,078	—
DEFICIT AT END OF YEAR	<u>\$ 82,112</u>	<u>55,078</u>





STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Year Ended December 31, 1967

	1967	1966
SOURCE OF FUNDS		
Issue of shares	\$ —	55,000
APPLICATION OF FUNDS		
Net expenses for the year	27,034	55,078
Expenditures on mining claims — see note 1	2,469	—
	<u>29,503</u>	<u>55,078</u>
DECREASE IN WORKING CAPITAL	<u>29,503</u>	78
Working capital at beginning of year	29,059	29,137
WORKING CAPITAL (DEFICIENCY) AT END OF YEAR	<u>\$ (444)</u>	<u>29,059</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 1967

NOTE 1. During the year, the Company participated jointly with Lake-Osu Mines Limited and Uranium Ridge Mines Limited in the financing of a prospecting party. The party staked 40 mining claims in the Kapikotongwa Lake area of Ontario. Nakina Mines Limited, a new Company with an authorized capital of 3,000,000 shares, has been incorporated to explore the property. The Company's 28.33% interest in the claims was transferred to Nakina and the Company received therefor 212,500 vendor shares of Nakina. In addition, the Company has agreed to purchase from a minimum of 20,000 shares up to a maximum of 100,000 shares of Nakina at 25¢ per share and has received options on an additional 537,500 shares.

The financing arrangements of Nakina, as outlined above, are subject to approval by the shareholders of Lake-Osu Mines Limited and Uranium Ridge Mines Limited. The effective date of the agreement will be the date of approval by said shareholders.

NOTE 2. The Company's mining properties are leased to The Steel Company of Canada, Limited until April 30, 2040. The Company is entitled to a royalty of 10¢ per ton of iron ore products shipped from the property.

